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9 *Attorneys for Tecumseh-Infinity Medical*
10 *Receivable Fund, LP*

11 **IN THE UNITED STATES BANKRUPTCY COURT**
12 **FOR THE DISTRICT OF NEVADA**

13 In re:

14 INFINITY CAPITAL MANAGEMENT,
INC.,

15 Debtor.

Case No. 21-14486-abl

Chapter 7

16 HASELECT-MEDICAL RECEIVABLES
17 LITIGATION FINANCE FUND
INTERNATIONAL SP,

18 Plaintiff,

19 v.

20 TECUMSEH-INFINITY MEDICAL
RECEIVABLES FUND, LP,

21 Defendant.

Adversary Case No. 21-01167-abl

22 **DECLARATION OF MICHAEL BELOTZ**
23 **IN SUPPORT OF MOTION FOR**
24 **PARTIAL SUMMARY**
25 **JUDGMENT AS TO DIRECT PURCHASE**
26 **RECEIVABLES**

27 TECUMSEH-INFINITY MEDICAL
RECEIVABLES FUND, LP,

28 Counter-Claimant,

v.

HASELECT-MEDICAL RECEIVABLES
LITIGATION FINANCE FUND
INTERNATIONAL SP,

Counter-Defendant.

1 HASELECT-MEDICAL RECEIVABLES
 2 LITIGATION FINANCE FUND
 3 INTERNATIONAL SP,

4 Counter-Claimant,
 v.

5 TECUMSEH-INFINITY MEDICAL
 6 RECEIVABLES FUND, LP,

7 Counter-Defendant.
 Date: to be set
 Time: to be set

I, MICHAEL BELOTZ, pursuant to 28 U.S.C. § 1746, declare as follows:

1. My name is Michael Belotz. I am over the age of twenty one years, of sound
 mind, and fully competent to testify in this cause.

2. I submit this declaration in support of the Motion for Partial Summary Judgment
 as to Direct Purchase Receivables (the “Motion”) of Tecumseh–Infinity Medical Receivable
 Fund, LP (“Tecumseh”), defendant and counterclaimant in the above-captioned adversary
 proceeding.

3. I am a principal of Tecumseh Alternatives, LLC, the advisor to Tecumseh. In that
 capacity, I have personal knowledge of the facts stated herein, all of which are true and correct.
 If called upon to testify regarding the contents of this Declaration, I could and would do so.

4. In my role as a principal of Tecumseh, I am responsible for all aspects of
 Tecumseh’s investments in medical receivables. Part of my duties require that I ensure the
 proper accounting and reporting of funds flowing to and from Tecumseh. In order to do so, I
 review and manage Tecumseh’s banking records, financial records, contracts, and investments.

5. As it relates to Tecumseh, I was personally involved in the business between
 Debtor and Tecumseh, particularly as it relates to the purchase of receivables pursuant to a sub-
 advisory agreement entered with the Debtor on June 18, 2020, as modified by Addendum A on
 or about January 5, 2021 (the “**Sub-Advisory Agreement**”).¹

¹ A true and correct copy of the Sub-Advisory Agreement is attached to Tecumseh’s Statement of Undisputed Facts
 in *Support of Motion for Partial Summary Judgment as to Direct Purchase Receivables* (the “**Statement of
 Undisputed Facts**”) as **Exhibit B**.

1 6. As part of my work coordinating with the Debtor, I had access to the Debtor's
 2 internal database that stored all receivables Debtor managed on behalf of Tecumseh. I regularly
 3 reviewed the database in the course of my duties. I also had extensive contact with various
 4 employees of the Debtor, including Oliver Hemmers ("Hemmers"). I also spoke regularly,
 5 multiple times per week, with FTM Investments, Inc. ("FTM"), Tecumseh's and with the
 6 Debtor's employees about the receivables that Tecumseh owned. We also had frequent e-mail
 7 exchanges. Generally, I would contact FTM before reaching out to the Debtor because
 8 contractually FTM managed accounting on all Tecumseh receivables.

9 **A. The Relationship Between Tecumseh and the Debtor.**

10 7. The Sub-Advisory Agreement served two purposes: (1) facilitate the sale of
 11 receivables from medical providers to Tecumseh and (2) to provide for servicing of the
 12 receivables by the Debtor. Under the Sub-Advisory Agreement, the Debtor was not supposed to,
 13 and did not, acquire a beneficial ownership interest in the receivables purchased on Tecumseh's
 14 behalf. Debtor exclusively served as an intermediary and servicer for Tecumseh.

15 8. Under the Sub-Advisory Agreement, Tecumseh agreed to pay the Debtor a fee as
 16 compensation for identifying receivables, negotiating a purchase price, processing the sale, and
 17 servicing the receivables.

18 9. Prior to the bankruptcy, Tecumseh acquired a total of about 8,670 receivables
 19 with a face value of \$28,045,874 under the Sub-Advisory Agreement. It is my understanding
 20 that, each receivable represented a three-way transaction between Tecumseh, a medical provider,
 21 and a personal injury plaintiff. Tecumseh agreed to pay the medical provider a certain sum of
 22 money in exchange for the provider's medical services to the plaintiff. The plaintiff, in turn,
 23 agreed to pay Tecumseh a larger amount of money (represented by the face amount of the
 24 receivable) secured by an interest in the plaintiff's claim.

25 10. Thus, the process for purchasing a receivable began with the Debtor identifying a
 26 receivable, negotiating with the medical provider, and presenting the receivable to Tecumseh.
 27 FTM would then verify the receivable on behalf of Tecumseh, after which Tecumseh would
 28 approve of the purchase. Tecumseh then paid the price agreed to by the medical provider along

1 with the fee to the Debtor required by the Sub-Advisory Agreement. Thereafter, each receivable
 2 received its own unique BillID number, and the Debtor would maintain in its records a
 3 corresponding Claim Form, together with evidence of Tecumseh's contemporaneous payment.

4 **B. Tecumseh provided the purchase money for the Direct Purchase Receivables.**

5 11. To facilitate the purchase of Tecumseh Receivables and collection of proceeds,
 6 Tecumseh opened an account with Bank of America (the “**BofA Account**”). Tecumseh funded
 7 the BofA Account with money from its investors. It granted signing authority to Hemmers and
 8 Anne Pantelas (with co-signature by Belotz and another Tecumseh principal, Chad Meyer).

9 12. The receivables purchased by Tecumseh from and after October 29, 2020—4,190
 10 receivables at a face amount of approximately \$19,846,621.37—were paid for with transfers of
 11 purchase money directly from Tecumseh’s BofA Account to the respective medical providers.
 12 These receivables are referred to herein as the “Direct Purchase Receivables.”

13 13. Tecumseh paid for the Direct Purchase Receivables directly from its BofA
 14 Account to the medical provider. Further, rather than purchasing groups of receivables every two
 15 weeks or so, Tecumseh purchased receivables throughout the month, and Tecumseh paid the
 16 Debtor its servicing fee for its work in locating and servicing the Tecumseh Receivables monthly
 17 from the BofA Account.

18 14. As required by the Sub-Advisory Agreement, the Debtor maintained a log of the
 19 Tecumseh Receivables along with any collections on them. Debtor made these records
 20 available to Tecumseh on a regular basis through an application known as “Case Manager”. In
 21 addition, Tecumseh maintained its own records related to the Tecumseh Receivables.
 22 Accordingly, Tecumseh prepared its own reconciliation evidencing the payment and detailed
 23 purchase history of the Direct Purchase Receivables in reliance on both its and the Debtor’s
 24 records.²

25 15. I and people working under my supervision traced payments made by Tecumseh
 26 to medical service providers. To do so, we began with the two spreadsheets provided by the

27 ² A true and correct copy of the Reconciliation is attached to Tecumseh’s Statement of Undisputed Facts as **Exhibit F.**

1 Debtor -- TIFDumpWithIncomeFinal.xlsx and ESDVerifiedHASOverlapDumpWithIncome.xlsx
 2 (collectively “the Debtor’s spreadsheets”) – and compared the data entered by the Debtor in the
 3 Provider’s name, the BillID, the PaidCheckNo. and the Bill Cost columns to the BofA Account
 4 Statements and cancelled checks.

5 16. The Debtor did not record the actual amount that Tecumseh paid the providers for
 6 receivables. For the Bill Cost data, the Debtor combined the actual amount that Tecumseh paid
 7 to the provider with an allocation of the fee that Tecumseh paid to the Debtor for its services.
 8 After backing out the Debtor’s fee, we were able to tie cancelled checks and wire transfer
 9 confirmations in the account statements to individual receivables. We were also able to largely
 10 reconcile our bank records to the fees paid to the Debtor for its services.

11 17. An example of this reconciliation is the purchase of four receivables from South
 12 Atlanta MUA Center on or about October 29, 2020 shown on Exhibit F at page 2. According to
 13 the Debtor’s Spreadsheets, Tecumseh purchased four receivables (BillID Nos. 27183, 27278,
 14 27292, 27293) with a total face amount of \$115,108.00 from South Atlanta MUA Center. The
 15 Debtor recorded a BillCost for the four receivables of \$34,532.40. As discussed the BillCost is
 16 comprised of the amount that Tecumseh paid South Atlanta MUA Center and the fee paid to the
 17 Debtor. We reduced the BillCost by the 20% fee (\$5,755.40) to obtain the actual amount that
 18 Tecumseh paid to South Atlanta MUA Center (\$28,777.00). We then identified a wire transfer
 19 (No. 301693158) paid in that amount on October 29, 2020 to South Atlanta MUA Center in the
 20 BofA Account Statements.

21 18. We used the same reconciliation process for all 4,190 receivables totaling
 22 \$19,846,621.37 in face value.

23 19. Since the filing of this action, Tecumseh has learned that Debtor also maintained
 24 several binders, or a compilation of documents, evidencing Tecumseh’s direct payments to
 25 medical providers and all corresponding Claim Forms for some of the Direct Purchase
 26 Receivables purchased by Tecumseh. Each Claim Form represented a distinct Receivable,
 27 affiliated with a unique BillID number.

28

1 20. The chart below represents a reconciled accounting of the Direct Purchase
 2 Receivables:

Month/Year	Number of Receivables	Face Value	Total Purchase Price	Infinity Fee
October/2020 ³	92 total	\$828,614.88	\$142,862.63	\$28,572.52
November/2020 ⁴	266 total	\$501,921.54	\$170,027.05	\$30,142.28
December/2020 ⁵	441 total	\$1,305,197.62	\$283,162.07	\$56,692.44
January/2021 ⁶	430 total	\$1,500,807.25	\$284,325.87	\$56,865.78
February/2021 ⁷	323 total	\$1,248,675.56	\$321,377.94	\$64,588.45
March/2021 ⁸	412 total	\$2,081,787.17	\$285,862.33	\$46,100.85
April/2021 ⁹	425 total	\$1278990.10	\$308,721.70	\$33,371.64
May/2021 ¹⁰	582 total	\$2647439.26	\$349,515.96	\$69,903.19
June/2021 ¹¹	533 total	\$4233654.73	\$539,763.82	\$98,999.89
July/2021 ¹²	245 total	\$2154768.92	\$197,192.40	\$29,861.69

17 ³ A copy of Tecumseh's monthly account statement for the BofA Account dated October 31, 2020 is attached as part
 of Composite Exhibit G to the to the Statement of Undisputed Facts.

18 ⁴ A copy of Tecumseh's monthly account statement for the BofA Account dated November 30, 2020, is attached as
 part of Composite Exhibit G to the to the Statement of Undisputed Facts.

19 ⁵ A copy of Tecumseh's monthly account statement for the BofA Account dated December 31, 2020, is attached as
 part of Composite Exhibit G to the to the Statement of Undisputed Facts.

20 ⁶ A copy of Tecumseh's monthly account statement for the BofA Account dated January 31, 2020, is attached as
 part of Composite Exhibit G to the to the Statement of Undisputed Facts.

21 ⁷ A copy of Tecumseh's monthly account statement for the BofA Account dated February 28, 2020, is attached as
 part of Composite Exhibit G to the to the Statement of Undisputed Facts.

22 ⁸ A copy of Tecumseh's monthly account statement for the BofA Account dated March 31, 2020, is attached as part
 of Composite Exhibit G to the to the Statement of Undisputed Facts.

23 ⁹ A copy of Tecumseh's monthly account statement for the BofA Account dated April 30, 2020, is attached as part
 of Composite Exhibit G to the to the Statement of Undisputed Facts.

24 ¹⁰ A copy of Tecumseh's monthly account statement for the BofA Account dated May 31, 2020, is attached as part
 of Composite Exhibit G to the to the Statement of Undisputed Facts.

25 ¹¹ A copy of Tecumseh's monthly account statement for the BofA Account dated June 30, 2020, is attached as part
 of Composite Exhibit G to the to the Statement of Undisputed Facts.

26 ¹² A copy of Tecumseh's monthly account statement for the BofA Account dated July 31, 2020, is attached as part

1	August/2021 ¹³	394 total	\$1751688.53	\$199,942.76	\$31,348.54
2	September/2021 ¹⁴	47 total	\$313075.81	\$102,827.82	-

3

C. **Tecumseh intended to possess beneficial ownership interest in the Direct Purchase Receivables.**

4

5 21. Tecumseh expected and intended to be owner of the Receivables it purchased.
 6 Tecumseh has, at all times relevant hereto, held itself out as the beneficial owner of the
 7 Tecumseh Receivables. Tecumseh relayed to its fund administrator the “Bill ID, cost of the
 8 receivable, the overhead charge, the total cost, date paid and the type” of receivables “bought
 9 since the [time the] last report was generated.”¹⁵

10

11 22. Tecumseh ownership information available to its investors on a regular basis,
 12 posting publicly available fund reports detailing, among other things, the “date of purchase”
 13 together with the “purchase cost” of each Tecumseh Receivable denoted by its “BillID.”¹⁶
 14 Tecumseh also reported its ownership interest and any resulting capital gains and losses to the
 15 Internal Revenue Service.

16

17 23. All dollars collected on the Tecumseh Receivables were paid directly to
 18 Tecumseh and not to the Debtor.

19

20 24. Tecumseh paid the Debtor a fee as compensation for identifying receivables,
 21 negotiating a purchase price, processing the sale, and servicing the receivables as set forth in the
 22 Sub-Advisory Agreement. These provisions of the Sub-Advisory Agreement were intended to
 23 incentivize the identification and servicing of high yielding receivables by the Debtor for
 24 Tecumseh’s benefit.

25

26 (continued)
 27 of **Composite Exhibit G** to the to the Statement of Undisputed Facts.

28

¹³ A copy of Tecumseh’s monthly account statement for the BofA Account dated August 31, 2020, is attached as part of **Composite Exhibit G** to the to the Statement of Undisputed Facts.

¹⁴ A copy of Tecumseh’s monthly account statement for the BofA Account dated September 30, 2020, is attached as part of **Composite Exhibit G** to the to the Statement of Undisputed Facts.

¹⁵ See Email Correspondence attached as **Exhibit H** to the Statement of Undisputed Facts.

¹⁶ See [Reports \(tecumsehalts.com\)](http://tecumsehalts.com), last visited 8/26/2022.

1 I declare under penalty of perjury under the laws of the United States of America that the
2 foregoing is true and correct.

3 Dated August 26, 2022.

4 
5 MICHAEL BELOTZ

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